

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

MILLSTONE WATER COMPANY

ALLEGED FAILURE TO COMPLY WITH
KRS 278.140 AND KRS 278.230(3)

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CASE NO. 96-395

O R D E R

Millstone Water Company ("Millstone") owns, controls, operates and manages facilities in the Commonwealth of Kentucky which are used for and in connection with the treatment of sewage for the public for compensation. It is therefore a utility subject to Commission jurisdiction. KRS 278.010(3)(f).

KRS 278.140 requires every utility, on or before March 31 of each year, to file with the Commission a report of its gross earnings or receipts derived from intrastate business for the preceding calendar year.

KRS 278.230(3) directs every utility, when required by the Commission, to file with it any report or other information that the Commission reasonably requires. Commission Regulation 807 KAR 5:006, Section 3(1), requires every utility to file with the Commission on or before March 31 of each year a financial and statistical report of its utility operations for the preceding calendar year on forms furnished by the Commission.

KRS 278.990(1) states that any utility which willfully violates any provision of KRS Chapter 278 or Commission regulation shall be subject to a civil penalty not less than twenty-five dollars (\$25.00) nor more than two thousand five hundred dollars (\$2,500).

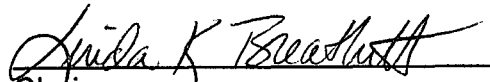
On January 3, 1996, the Commission provided to Millstone the standard forms for the report of its gross earnings and the annual financial and statistical report. According to Commission records, it has yet to file its report of gross earnings and its financial and statistical report for the 1995 calendar year with the Commission. The absence of these reports from Commission records constitutes prima facie evidence that Millstone has willfully failed to comply with KRS 278.140 and KRS 278.230(3).

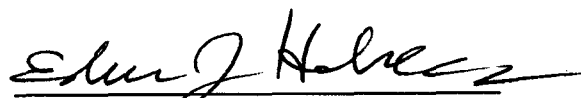
IT IS THEREFORE ORDERED that:

1. Millstone shall file with the Commission, no later than December 10, 1996, its report of gross earnings and the financial and statistical report for the 1995 calendar year.
2. Millstone shall appear on December 19, 1996, at 10:00 a.m., Eastern Standard Time, in Hearing Room 1 of the Commission's offices at 730 Schenkel Lane, Frankfort, Kentucky, for the purpose of showing cause, if any it can, why it should not be subjected to the penalties in KRS 278.990(1) for its failure to comply with KRS 278.140 and KRS 278.230(3).
3. If Millstone desires to waive its right to a hearing in this matter, it shall, no later than December 10, 1996, file the required report and pay a penalty of \$250. Payment of the penalty shall be made by certified check or money order made payable to Treasurer, Commonwealth of Kentucky and shall be delivered to Office of General Counsel, Public Service Commission, 730 Schenkel Lane, P. O. Box 615, Frankfort, Kentucky 40602.

Done at Frankfort, Kentucky, this 28th day of October, 1996.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman

Commissioner

ATTEST:


Executive Director